Government of
Saskatchewan

Annual Report
2006-2007

Saskatchewan
Agriculture
and Food

Agricultural Implements
Board

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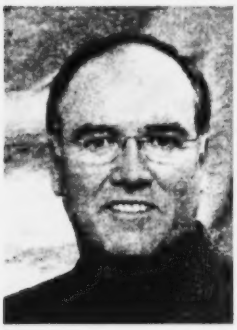
This annual report is also available in electronic format from the department's website at **www.agr.gov.sk.ca**.

Letter of Transmittal



His Honour the Honourable Dr. Gordon L. Barnhart
Lieutenant Governor of Saskatchewan

May it Please Your Honour:

I respectfully submit the Annual Report of the Agricultural Implements Board for the fiscal year ending March 31, 2007.

Respectfully submitted,

Mark Wartman
Minister of Agriculture and Food

Agricultural Implement Board 2006 – 2007 Annual Report

The Agricultural Implements Act (the Act) provides protection to farmers who buy or own agricultural implements. The Act requires that farm equipment dealers and manufacturers maintain minimum levels of warranty, repair and parts delivery services. Farmers may apply to the Agricultural Implements Board (the Board) for compensation if they feel they have incurred a loss due to an unreasonable delay or availability of farm equipment parts.

The new appointed Board consists of seven members who were appointed for a two-year term, effective June 12, 2007. The members are:

- Norman Overland – Chairperson, farmer member;
- Allan Smith – Vice-Chairperson, Canada West Equipment Dealers Association, industry member;
- Doug Slough – farmer member;
- Robin Fenell – farmer member;
- Brad Nelson – Agricultural Manufacturers of Canada, industry member;
- Jeff Just – Association of Equipment Manufacturers, industry member; and
- Don Taylor – Saskatchewan Association of Rural Municipalities, farmer member.

Accomplishments 2006-2007

- In 2006-07, the Act and its regulations were posted on the Saskatchewan Agriculture and Food (SAF) website. The Act is also posted on the Queen's Printer's Free-law website.
- During 2006-07, the forms needed by producers when dealing with the Agricultural Implements Board were posted onto the SAF website, and can be downloaded by producers at www.agr.gov.sk.ca/ProgramsServices, click on Forms.
- Farm implement dealers and distributors are required to renew licenses and registrations by March 31 of each year. In 2006-07, licenses were renewed for 372 agricultural implement dealers, and registrations were renewed for 100 agricultural implement distributors.
- The office of the Board dealt with more than 200 complaints from farmers and agricultural implement dealers in 2006-07. Many of the concerns involved parts and warranty issues.
- All complaints were resolved: no formal hearings were required.

Program Statistics

See chart next page.

Program Statistics

Year	00 / 01	01 / 02	02 / 03	03 / 04	04 / 05	05 / 06	06 / 07
Number of dealers	473	429	400	395	400	386	372
Number of distributors	122	119	105	106	107	99	100
Number of manufacturers	242	228	224	226	226	224	222
Number of hearings	1	1	0	0	0	1	0

Management's Responsibility for the Financial Statements

The accompanying financial statements of the Agricultural Implements Board have been prepared by management in accordance with generally accepted accounting principles, using management's best estimates and judgements where appropriate.

The fund's management is responsible for the reliability and integrity of these financial statements and other information in the Annual Report. Financial information in the Annual Report is consistent with that provided in these financial statements.

In discharging its responsibility for the reliability and integrity of these financial statements, management maintains financial and management control systems and practices designed to provide reasonable assurance that transactions are authorized, assets are safeguarded and proper records are maintained.

The Provincial Auditor Saskatchewan has audited these financial statements and conducted a review of internal accounting policies and procedures to the extent required to enable them to express an opinion on these financial statements.

Donald Brooks, PAg
Agricultural Implements Board Secretary

Andrea Terry Munro, CMA
Manager, Financial Services

May 19, 2007

AGRICULTURAL IMPLEMENTS BOARD

FINANCIAL STATEMENTS

For the Year Ended March 31, 2007

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Agricultural Implements Board (Board) as at March 31, 2007 and the statements of operations and net financial assets, and cash flows for the year then ended. The Board's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
May 19, 2007

Fred Wendel, CMA, CA
Provincial Auditor

AGRICULTURAL IMPLEMENTS BOARD
STATEMENT OF FINANCIAL POSITION
As at March 31

	2007	2006
ASSETS		
Due from General Revenue Fund (Note 3)	$ 176,503	$ 167,369
Accrued interest receivable	1,823	1,447
	$ 178,326	$ 168,816
LIABILITIES AND NET FINANCIAL ASSETS		
Liabilities:		
Deferred revenue	$ 1,850	$ 1,975
Net financial assets (Statement 2)	176,476	166,841
	$ 178,326	$ 168,816

(See accompanying notes to the financial statements)

Statement 2

AGRICULTURAL IMPLEMENTS BOARD
STATEMENT OF OPERATIONS AND NET FINANCIAL ASSETS
For the Year Ended March 31

	2007	2006
Revenue:		
Assessment levies	$ 2,500	$ 2,500
Interest income	7,135	4,765
Penalty revenue	---	1,900
	9,635	9,165
Expenses:		
Compensation payments	---	6,899
Miscellaneous expenses	---	18
	---	6,917
Surplus for the year	9,635	2,248
Net financial assets, beginning of year	166,841	164,593
Net financial assets, end of year - to Statement 1	$ 176,476	$ 166,841

(See accompanying notes to the financial statements)

AGRICULTURAL IMPLEMENTS BOARD
STATEMENT OF CASH FLOWS
For the Year Ended March 31

	2007	2006
Cash flows from (used in) operating activities:		
Cash receipts from distributors	$ 2,375	$ 2,350
Cash receipts from penalties	---	1,900
Interest received	6,759	4,296
Compensation and miscellaneous payments	---	(6,917)
Net increase in cash position during the year	9,134	1,629
Due from General Revenue Fund, beginning of year	167,369	165,740
Due from General Revenue Fund, end of year	$ 176,503	$ 167,369

(See accompanying notes to the financial statements)

AGRICULTURAL IMPLEMENTS BOARD
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2007

1. Authority

The Agricultural Implements Board is continued under *The Agricultural Implements Act*. Under this Act, a fund known as the Agricultural Implements Compensation Fund, through which all transactions reflected in these statements are conducted, is continued:

a) to pay compensation to farmers who have suffered loss as a result of a defective implement;

b) to defray the expenses of investigating and hearing claims for compensation under this Act; and

c) to maintain a reserve fund to pay compensation that may become payable in the future.

2. Significant Accounting Policies

These financial statements are prepared in accordance with generally accepted accounting principles as recommended by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants (PSAB). The following accounting policy is considered significant.

a) Revenue

Assessment levies on distributors are assessed annually, any that are received in advance are recorded as deferred revenue.

b) Use of estimates

These statements are prepared in conformity with PSAB accounting principles. These principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. Differences are reflected in current operations when identified.

3. Due from General Revenue Fund

The Agricultural Implements Board's bank account is included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan.

Earned interest is calculated and paid by the General Revenue Fund on a quarterly basis using the Government's thirty-day borrowing rate (2007 average rate 4.15%; 2006 average rate 2.82%) and the Agricultural Implements Board's average daily bank account balance.

4. Related Parties Transactions

Salary and administration costs other than those in respect of investigations and hearings have been absorbed by the Department of Agriculture and Food and are therefore not reflected in these financial statements.

Other transactions with related parties and amounts due to or from them are described separately in these financial statements and the notes hereto.

5. Financial Instruments

Financial instruments consist of Due from General Revenue Fund and accrued interest receivable. The carrying amounts approximate fair value due to their short-term maturity.